

USDA Regulatory Reform Roundtable
July 26, 2011
Mt. Laurel, NJ

Attendees and Teleconference Call-ins (Scan of both sign-in sheets attached)

Additional comments from:

Matt Hall, Director of Outreach, Representative for Congressman Rush Holt

Linda Hinckley, District Director, Representative for Congressman Frank LoBiondo

Issues raised by individual members of the Roundtable

- Major consensus was not to use the Pass through method for technical assistance programs. These programs are critical for the success of business growth and development. May need to provide more flexibility in fund usage, e.g. to stabilize neighborhoods with high foreclosure rates.
- Rural Development needs to provide additional clarification on what areas are eligible for assistance and for what programs. Our rural area definitions should be consistent across programs to make our services more understandable to communities in their planning efforts. RD should partner with regional planning commissions who can assist on marketing issues for the programs RD administers.
- RD should be actively involved and coordinate its programs and activities with other agencies involved in emergency management services. Need to have a stronger MOU with FEMA on partnering of funds. Communication/narrow banding issues need to be clarified by FCC as it applies to non-profits involved with transportation. Numerous concerns in the participation of non-profits in government programs and overall emergency preparedness activities. All federal agencies should address non-profit emergency readiness in all communications/policies.
- State and local planning commissions have burdensome permit issues that impede the development of rental units and/or new construction. Lenders are using financial risk analysis that gives preferential treatment to the financing of rental housing. Secondary markets have underwriting overlays that become a barrier to affordable homeownership i.e. FICO scores. USDA should encourage rent to own program assistance. Burdensome state government regulations suppress access to affordable credit markets and restrict the production of affordable housing units. Residential housing that is Deed Restricted (income class, resale value) should be reconsidered by the agency for financing. Rigorous homeownership counseling should be promoted with non-profits that have a proven track record of success. Expand the refinancing option under the Guaranteed Rural Housing Program.
- Improve the timeliness of the Business & Industry approval process at the National office level. Continue B&I program education initiatives with all lenders to stimulate greater participation. Face to face communication of lenders and RD staff remains the best tool for expanding access to capital markets – don't let all underwriting processes be completed electronically. Issuance of our guarantee during construction is attractive to lenders.
- Treasury Department rural area definitions are not consistent with RD eligible area definitions. RD and Treasury need to coordinate their programs to maximize financial assistance to all rural communities such as New Markets Tax Credit program. Very strict Treasury guidelines are an impediment to commercial lending.
- Energy utilities have capacity issues which limit the ability to sell them power on the grid (major problem). Eligible areas with populations less than 2500 in the REAP program receive higher priority in the scoring system. The current scoring system restricts equal access to communities who have more than 2500. Our regulations should reinforce use of smart meters and encourage solar design in all projects, such as for perimeter lighting in certain community facilities projects. RD needs to be in the arena, DOE would not be attentive to NJ interests.

- To help stimulate economic growth, continue to promote media events such as a business & industry program road show promoting access to the program. Emphasize sustainable loan infrastructure planning to help promote job growth and community development through technical assistance grants. Universities should be eligible to compete for RBOG funding, since they often are leaders in regional planning.
- Value-Added Producer Grant Program needs to be further simplified for applications less than \$50,000 and allow more time for applicants to process the paperwork. NOFA's on programs affecting individual farmers should be coordinated as to not impact agriculture production. i.e. NOFA should be timed during winter months. It is felt that application processes can be streamlined further through improved electronic reporting and also by aligning the complexity of the application with the amount of assistance provided, i.e. a \$60,000 loan request vs. a \$500,000 loan request.
- In order to improve public participation in the rule making process, better notification is needed for the participants, such as a List Serve system for the Federal Register.